



U.S. Department of Justice

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Event: Indictment

**Defendant: Richard Blanchard, 46, Warren, Michigan
Karen Blanchard, 40, Warren, Michigan**

Husband-Wife business owners indicted on failing to pay employee withholding tax to the IRS

United States Attorney Stephen J. Murphy and Maurice M. Aouate, Special Agent in Charge, Internal Revenue Service Criminal Investigation announced that Richard Blanchard and his wife, Karen were indicted on five counts of income tax evasion, fifteen counts of failure to account for and pay over withholding and Federal Insurance Contributions Act (FICA) taxes, and three counts of making and causing the making of false claims for tax refunds.

According to the indictment, from at least 1999 through 2002, the Blanchards were owners and officers of R. Blanchard Construction, Warren, Michigan. They were responsible for deducting and collecting, from the wages of their employees, federal income withholding and FICA taxes. During this time period, they collected over \$126,000 in taxes and failed to

truthfully account for and pay over to the Internal Revenue Service. During the 1998 through 2002 tax years, they also filed joint federal individual tax returns underreporting their total taxable income by over \$89,000. On the 1999 through 2001 tax returns, the Blanchards prepared and signed their individual returns claiming over \$11,000 in refunds knowing that such a claim was false, fictitious and fraudulent.

Mr. Aouate stated, "All employers are required by law to withhold, account and pay over employment taxes from their employees. When employers knowingly fail to properly handle their responsibilities, the detrimental consequences are at the expense of these employees and the taxpayers who are paying their fair share.

Mr. Murphy commended the special agents of the Internal Revenue Service Criminal Investigation. Assistant United States Attorney Richard L. Delonis is prosecuting the case. An indictment is only a charge and not evidence of guilt. The defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.